1:Stanford U. S-4, 5 1956 AF12 North China AF12

652 In order to hasten the liquidation of the private
452 merchant class and the transformation of private industries into joint public-private enterprises, exorbitant rates of interest were charged on loans to private commerce and industry (private commerce, 16.20 - 23.40 per cent annually against 8.28 per cent charged on loans to public commerce and 10.80 - 19.80 per cent annually charged on loans to private industry compared with 5.58 per cent to public industry.).

XIII. CURRENCY SYSTEM

652 Jen-min-p'iao, (literally "People's Bank
436 notes") were first issued by the People's Bank of China in Shihchiachuang, Hopei Province, on December 1, 1948. People's notes were to be regarded as the only legal tender in Communist China and were to supplant the Communist notes, which had been issued in various districts, as well as Nationalist notes. The People's Bank notes were first issued in denominations of 1, 5, 10, 20, 50 and 100 dollars. to which 200 dollar notes were added in Shanghai in July 1949 and 500 and 1,000 dollar notes in Shanghai and Tientsin in September 1949. Between February and April 1950, an additional issue of 5,000 and 10.000 dollar notes was made and in January 1954 the range of denominations was increased to include 20,000 and 50,000 dollar notes.

On March 1, 1955 new currency was put in circulation throughout China. A new one-yuan

652 note was exchanged for a 10,000-yuan banknote of the old currency. Other major note denomina
• 436 tions are Y2, Y3 Y5, and Y10. The smaller denominations are 1 2 and 5 fen (100 fen=1 yua and 1, 2, and 5 chiao (10 chiao=1 yuan). Notes ar printed in four languages: Chinese Tibetan, Mongolian, and Uighur. All the old banknotes i denominations of 5,000 or more were to be exchanged by the People's Bank of China before th end of April 1955 and denomination of 5,000 and less were to be exchanged not later than June 10 1955.

The Communists first claimed that People's Bank notes were not backed by metallic or foreign currency reserves but by an abundant guarantee in goods; later they elaborated their monetary policy by saying that currency value was maintained by a balanced budget and balanc international payments. However, when introducing the recent issue of new currency, the Communists claimed that the stability of their currency was guaranteed by a huge and ever-increasing gold reserve as well as by ample material resources.[18] The Communists who realize the danger of arousing suspicion of bank ruptcy, boast of their skill in the management o currency in order to dispel the popular distrust of currency revaluation.

652 The first official exchange rate quoted on Apr 7, 1949 by the Bank of China, Peking, was PB$56.25 for HK$1 (Hong Kong dollar), equivalen to PB$302 for US$1. Frequent revisions of the

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18. Far Eastern Economic Review, Hong Kon Mar. 10 1955.

2: Gamble S-5 (1926-1933)1954. AF 12 North China AF 12

PART 4. FINANCE, BUSINESS, AND INDUSTRY

CHAPTER XIII

Money, Exchange, and Credit

431 SILVER AND COPPER coins and paper notes, representing silver and copper coins, were the money current in Ting Hsien at the time of our study. The generally accepted standard of value was the minted silver yüan (dollar), which, according to the law promulgated in 1910, contained seven mace and two candareens (0.72 Chinese ounces) of silver 890 fine. The Imperial or Dragon Dollars, coined before 1911, were 900 fine. The copper unit was the cash.

In earlier days retail transactions and the general economic activity of the people was carried on in terms of copper cash with one tiao, 1,000 cash, the standard unit. For wholesale transactions the tael, ordinarily defined as one Chinese ounce of silver bullion, was the monetary unit. Actually there were several different kinds of taels of varying weight and fineness. The more convenient dollar, of standard weight and quality, gradually displaced the tael and silver gradually replaced copper as the general standard of value because of the depreciation of the copper coinage, especially after 1920 when the war lords were in control of the North China mints. In 1923 the cotton gild changed its price for cotton cloth from copper to silver. In 1930 only the prices of the cheapest farm products such as carrots, onions, and other vegetables, whose prices were less than two cents per catty, were regularly quoted in copper.

Several different kinds of dollars were in circulation but they were generally accepted as of equal value. The fractional silver coinage, 10-cent, 20-cent, and 50-cent pieces, known as "little money", did not circulate at par but at a discount which, for some coins, was more than 15 per cent. The amount of the discount was not fixed, but depended on the quality of the coins, the supply available, and the demand. The Imperial fractional silver was discounted more than the Republican Yuan

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2: Gamble S-5 (1926-1933) 1954 AF 12 North China AF 12

436 Shih-kai fractional coins. Because of the difference the former was sometimes known as "little little money", the latter as "big little money".

The copper coins were the single cash, small cast coins with a square hole in the center, and minted 10-cash and 20-cash pieces. There were also some brass 50-cash and 100-cash coins, which had been minted in Szechuan.

The single cash coins, which weighed about 6.5 pounds per 1,000, had long been the standard copper coin, but because of their small value and the difficulty of counting, handling, and transporting them, they had generally been displaced by the other copper coins of higher value and had practically disappeared from Ting Hsien by 1930. During the earlier part of our study both the 10-cash "copper" and the 20-cash double "copper" were in general circulation, but by 1931 the 20-cash pieces were rapidly displacing the single "coppers". It was the old story of bad money driving out good. Even five years earlier the amount of copper in the large coins was seldom twice that in the smaller. In a chance collection of over four hundred "coppers" the 10-cash pieces ranged in weight from 97 to 112 grains and the 20-cash pieces from 155 to 199 grains. The majority of the single "coppers" weighed between 100 and 106 grains and the majority of the double "coppers" between 170 and 176 grains. In only one case was the weight of a double "copper" twice that of a single "copper". Generally they weighed 60 to 70 per cent more. The lightest double "copper" weighed only 20 per cent more than the heaviest single "copper".[1]

The paper notes in circulation represented copper cash, silver dollars, and fractional silver currency. They were issued by various banks. Some of these were foreign banks; some were Chinese owned; some were privately managed; some were under Chinese government control.

Exchange

One copper cash was supposed to be equal to one one-thousandth of a silver tael, but it seldom had that exact value. There was a constantly fluctuating tael-cash exchange rate that went up and down, sometimes as much as 20 per cent in one year's time. These variations in the silver-copper exchange could not help but be a factor in the

1. T. P. Meng and S. D. Gamble, "Prices, Wages and the Standard of Living in Peking", *Chinese Social and Political Science Review*, July, 1926.

Gamble S-5 (1926-1933)1954 AF 12 North China AF 12

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economic life of Ting Hsien. They also made it possible for not a few people to earn their living changing money.

Old record books of the hsien government and the account books of stores in the city made it possible for us to trace the history of the silver-copper exchange rate for seventy-five years from 1857, the 7th year of Hsien Feng, through 1931, the 20th year of the Republic. The 1857–1928 figures, taken from the yamen account books, were secured during the early part of our study. Later the 1929–1931 rates were added from the records of a city exchange shop. For 1928 the yamen rate and the exchange shop rates differed by less than 1.5 per cent. To make sure that, through the years, the government rate was not a special official rate and different from that used in ordinary business transactions, we compared the yamen rates for some thirty years with those recorded in store account books. There was some difference between the rates but it was a small one. It is felt, therefore, that the changes in the official rate gave a good history of the silver-copper exchange rate and that the record was not materially altered by our using the more readily available exchange shop figures for the last three years, 1929–1931. Our figures are the average of the available quotations for each year.

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From 1857 through 1913, the hsien accounts were all in terms of taels and cash. Dollars appeared in the accounts in 1914. For a time the two silver units, taels and dollars, were used, but later, by official order, the use of the tael was discontinued.

In order to give the record from 1857 through 1931 in terms of a single standard, the cash-tael rates have been converted into cash-dollar rates at 0.72. Figure 19 shows the changes in the cash-tael rates from 1857 to 1914 and in the cash-dollar rates for the entire 75 years from 1857 through 1931. Table 78 gives the figures for the cash-dollar rates.

In 1857 the average exchange rate was 1,518 cash per tael. The dollar equivalent was 1,093 cash. In 1931 the average was 4,090 cash per dollar, an increase of almost 275 per cent in 75 years. The highest rate, 4,400 cash per dollar, in the second month of 1929, was just over four times the average for 1857. In the first month of 1932 the rate was 3,870 cash per dollar.

During the last five years of the reign of Hsien Feng, 1857–1861, there was a 20 per cent increase in the exchange rate. It is rather sur-

2: Gamble S-5 (1926-1933) 1954 AF 12 North China AF 12

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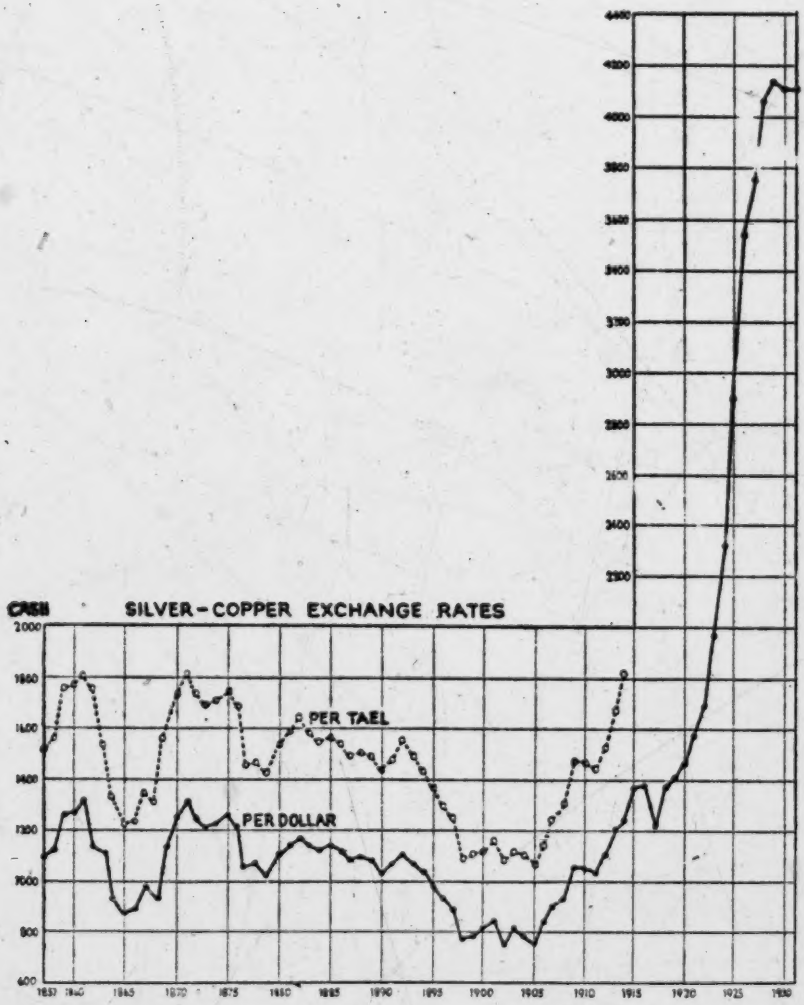

FIGURE 19. SILVER-COPPER EXCHANGE RATES, 1857–1930

2: Gamble S-5 (1926-1933)1954 AF 12 North China AF 12

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prising that the Ting Hsien rate was not more seriously affected, for there was serious inflation in Peking. It was during those years that the Imperial forces were struggling with the T'ai P'ing rebels and with foreign invasion. Peking was captured by the foreign forces on September 21, 1860. The T'ai P'ing forces cut off Peking's supply of copper from the mines in Yunnan, so the capital had to make its coins from iron. That, plus the war expenditure, brought on the inflation.

Improvement of the copper coinage was evidently a high priority item on the program of the Emperor T'ung Chih when he came to the throne for the exchange rate dropped almost one-third, from 1,269 to 875 cash per dollar, in the first four years of his reign, 1862–1865. The improvement did not last, however, for by the end of his reign, 1874, the rate was back to 1,219 and had been up to 1,304 in 1871.

During the first five years of K'uang Hsü's reign, 1875–1879, the copper coinage again improved, for the exchange rate dropped almost 20 per cent. Most of this came, however, in 1877, which was a famine year in North China. During the next 15 years after 1879 there was little change in the rate. For only five of those years was the rate more than 3.5 per cent above or below the rate of the previous year. The 1894 rate was only nine cash more than the rate in 1879. From an intermediate peak in 1892 the rate dropped, with some fluctuation, until in 1905 it reached the lowest point in the 75 years, 757.8 cash per dollar. This was a drop of 33.3 per cent in 13 years. The 1905 rate was 42 per cent below the rates for 1861 and 1871 and 30.7 per cent below the 1857 rate. The fighting and disturbed conditions of Boxer year brought only a small increase, just over 2 per cent.

For the 24 years after 1905 the rate increased every year but three. Two of the three years were after Hsüan Tung ascended the throne in 1909. This was the third time in succession that the rate went down at the beginning of the reign of a new emperor. The third year with a decrease was 1917, when war conditions raised the price of copper to the point where the bullion value of the cash was above their monetary value. They were bought up in large quantities by the Japanese, melted down, and shipped out of the country. As a result the silver-copper rate went down 12.5 per cent. It went up again the next year and the average for 1918 was only five cash below that for 1915.

The political and economic difficulties of the Republic were reflected in the declining value of the copper coinage. It went down every

2: Gamble S-5 (1926-1933) 1954 AF 12 North China AF 12

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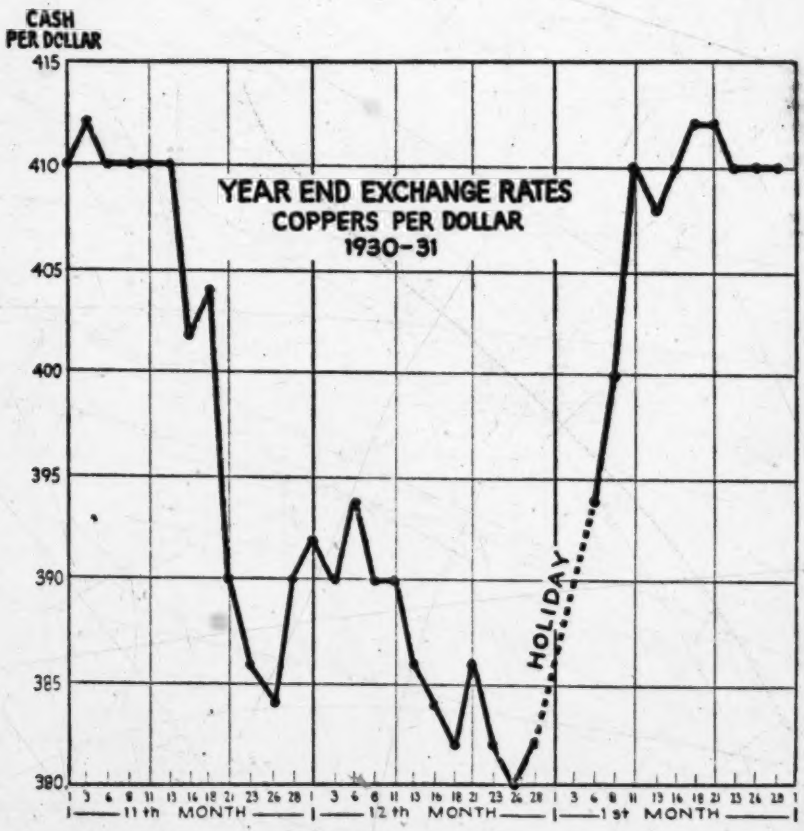

FIGURE 20. YEAR END SILVER-COPPER EXCHANGE RATES, 1930–1931

year but one from 1912 until after the Nationalist forces captured Peking in 1928 and unified the country. When the "war lords" had control of the local mints they profited by reducing the bullion content of the copper coins they issued. From 1920 to 1928 the exchange rate went up 180 per cent. After 1922 there were four successive years with increases of 16.5, 17.4, 25.0, and 22.3 per cent, an overall total of 109 per cent in four years.

The Nationalist government promptly moved to control the coinage for within seven months after the capture of Peking the exchange rate

2: Gamble S-5 (1926-1933)1954 AF 12 North China AF 12

started to go down in Ting Hsien. It dropped 12 per cent in the next 35 months.

From the low point in 1905 to the peak in 1929 the exchange rate increased 469 per cent. From 1857 to 1929 the increase was 295 per cent. In 75 years, 1857–1931, the rate went up 275 per cent.

A comparison of the Ting Hsien and Peking exchange rates showed that from 1862 until 1877 the Ting Hsien rate was the higher. Peking did not have the 1876–1882 dip and rise. From 1882 to 1900 the two rates followed similar declining trends. The Peking rate reached its lowest point in 1900, Boxer year, five years before Ting Hsien. From 1900 to 1915 the Peking rate was higher. From 1918 to 1931 the Ting Hsien rate was regularly higher but both rates had practically the same rapid increase. In 1930 they were only 20 cash (two coppers) apart, 4,080 and 4,100. From 1915 through 1930 Ting Hsien's yearly rate ranged from 97 to 106 per cent of the Peking rate. Except for 1928 and 1929 the variation was not over 3.5 per cent, a very close agreement.

How the extra demand for money at Chinese New Year's time affected the exchange rate is shown in Figure 20. It gives the rates for the Ting-hsien market days of the 11th and 12th months of 1930 and the 1st month of 1931. The rate dropped 23 per cent from the first of the 11th month to the end of the 12th month, but by the eleventh of the 1st month it was back to the original rate, 410 coppers per dollar.

As the city markets were set according to the lunar calendar the exchange shops usually operated on the same basis. In 1930 they attempted to follow the solar calendar but it did not work out well and they went back to the lunar calendar in 1931.

Credit

Credit was provided in Ting Hsien by pawn shops, mutual savings societies, cooperative credit societies, and private lenders. There were no banks in the hsien at the time of our study. The pawn shops were found only in the towns. Mutual savings societies were, as their name implies, for regular savings over a long period of time rather than for short term loans. Cooperative credit societies could be organized under the Chinese law and some were very successful in providing credit at low rates of interest, but they were a new type of organization still largely in the promotion stage and so were not a large factor in the

2: Gamble S-5 (1926-1933) 1954 AF 12 North China AF 12

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TABLE 78. SILVER-COPPER EXCHANGE RATE, 1857–1931[1]
(cash per dollar, annual average)

Year	Rate	Year	Rate	Year	Rate	Year	Rate
1857	1,093	1877	1,042	1897	889	1917	1,207
1858	1,136	1878	1,046	1898	785	1918	1,376
1859	1,257	1879	1,016	1899	792	1919	1,408
1860	1,265	1880	1,110	1900	812	1920	1,461
1861	1,303	1881	1,150	1901	840	1921	1,581
1862	1,269	1882	1,172	1902	774	1922	1,696
1863	1,107	1883	1,141	1903	807	1923	1,974
1864	958	1884	1,113	1904	793	1924	2,317
1865	875	1885	1,135	1905	758	1925	2,996
1866	884	1886	1,111	1906	829	1926	3,541
1867	983	1887	1,077	1907	890	1927	3,751
1868	938	1888	1,085	1908	937	1928	4,060
1869	1,136	1889	1,077	1909	1,056	1929	4,310
1870	1,246	1890	1,027	1910	1,052	1930	4,100
1871	1,305	1891	1,061	1911	1,034	1931	4,090
1872	1,240	1892	1,136	1912	1,100		
1873	1,208	1893	1,068	1913	1,205		
1874	1,219	1894	1,025	1914	1,236		
1875	1,253	1895	990	1915	1,372		
1876	1,209	1896	931	1916	1,382		

[1] Lunar years. 1857–1928 from hsien yamen accounts; 1929–1931 from exchange shop. 1857–1913 converted from cash-tael quotations at rate of $1 = 0.72 taels.

4: Burgess E-4, 5 (1926-1927) 1928 AF12 North China AF12

whom the guild officials were acquainted. Many of these officials were interviewed several times. It must be remembered that time is not considered so valuable to these old guildsmen as to the heads of Western business concerns. A chat with the nephew of the priest who prepares their "god's feast" each year, or with the nephew's friend who had an introduction from the same priest, would *a priori* be calculated to draw out the facts "as they saw them." There would be no motive for deception and no suspicion because of the introduction. Unlike the West, there is no danger of revealing trade secrets to rival firms. Each group has a practical monopoly in its field, hence there is no danger of the competitor profiting by the facts divulged. It is also highly improbable that these guildsmen had ever been similarly interviewed regarding the guilds. They were not questionnaire-hardened.

The discussion of the future of the guilds is based on inferences derived from the guildsmen's reports, or on material obtained from sources other than the questionnaire.

E. The Distinction Between Verified Facts and Inferences Drawn from these Facts

In the following discussion there are two types of matter dealt with: (1) facts derived from the inductive study of these guilds or from other creditable sources; and (2) opinion or conjecture based on these facts. In the former case statements will frequently be made without reference to the exact source. Opinions or inferences derived from these facts will in every case be given as opinion merely. Unqualified statements may be assumed to be based on the material in hand.

F. Money Exchange Rates

Throughout this study the sign $ will indicate Chinese, not American, dollars. When the American dollar is men-

4: Burgess E-4, 5 (1926-1927) 1928 AF12 North China AF12

• 436 tioned the term "gold" is added. The Chinese dollar is worth approximately one-half of the American gold dollar.

The approximate rate of exchange for 1926, the year in which most of the data were obtained, has been calculated on the basis of the average monthly exchange in Peking.

$1.00 = 345 coppers	1 tael = $1.39
1.00 = .72 taels	$1.00 American gold = $2.03
1.00 = $.49 American gold	

G. List of the Guilds Studied

* 467 Table IV lists the names of the 42 guilds studied. The
* 441 guilds may be roughly classified as Handicraft 16, Commercial or Mercantile 18, Professional 8.

There are three handicraft guilds that not only make their respective goods but have stores where they sell them. They are the Awning Makers, the Cloisonné Designers, and the Silk Thread Makers. There are three commercial guilds which include not only keepers of stores but skilled artisans. They are the Clock Stores, the Shoe Stores, and the Hat
[124] Stores. Thirteen of these guilds are reported on by their respective heads; the others, by the guild secretary, a head worker (master journeyman), or some other officer. In a few cases the information comes from "a member" or "an old member."

H. The Age of Informants

124 In the case of twenty-six of the forty-two guilds the approximate age of the informant was given, the figure given being only a rough guess on the part of the investigators. The fact that all men interviewed were over forty, combined with the fact that in practically all guilds the guildsmen start young in the trade, craft, or profession, would seem to indicate that these twenty-six were men who had been sufficiently long in the guild to know whereof they spoke.

5: Tao E-5 (1926-1927) 1928 AF12 North China AF12

804 found, if the same measures in the whole province are checked up. In this investigation the *ching-ping* catty and the builder's foot-rule are used, both being standard measures in Peking stores, —the former for the grocers and flour-dealers and the latter for the drapers—and for the purpose of presentation the data of these measures are all reduced to their metric equivalents.

CURRENCY

436 Although this is hardly the place to discuss in detail the Chinese currency system, yet some observations on it are needed for an understanding of the nature of incomes and expenses of various families. Yuan, the silver dollar, is the standard money in this country. Though the tael still survives and is used in a great many business transactions, yet the yuan is indisputably the most universal medium of exchange. Theoretically, one yuan or dollar is equal to one hundred cents usually known as "big money", for which are issued, as token money, copper coins of two denominations of the nominal value of one and two cents each—this applies only to Peking, and north China generally, as systems of copper coinage vary in different parts of this country—and silver coins of two denominations of the nominal value of ten and twenty cents each. The Chinese dollar, it should be pointed out, is treated as a commodity and its value is determined by the amount of silver it contains. Because the small silver coins, originally issued as token money, and later known as "small money", contain much less amount of silver in proportion to the denominations they represent and have been freely minted in several provinces in great quantities, their value is, therefore, not determined by what they designate nominally but mainly by their metallic content and by their supply. Thus, in actual fact, ten ten-cent-pieces or dimes are only worth nine-tenths of one yuan and sometimes less, though, in theory, the depreciation is unwarranted. As regards the coppers, which are also coined in abundance in different provinces, their value is also generally determined both by their supply and their metallic

5: Tao E-5 (1926-1927) 1928 AF12 North China AF12

value. An over-production of copper coins brings at once with it a fall in their value and consequently more coppers may be exchanged for one silver dollar. In other words, both the copper and the ten-cent-pieces have entirely lost their virtues as token money and are subject to constant fluctuation in their exchange to the yuan. As an illustration of the remarkable phenomenon of copper inflation, the following instance may be quoted. Ten years ago, one dollar could only be exchanged to 150 coppers in Peking, while the present rate has risen to more than 370 coppers. Below is given the monthly average exchange rate of the silver dollar to coppers and silver ten-cent-pieces or dimes for the six months during which the family accounts were kept.

Month	Coppers per yuan	Cent-pieces per yuan
November	365	11.70
December	369	11.59
January	379	11.97
February	384	11.90
March	383	12.11
April	383	12.43

It should be noted that while the sudden jolts and swerves of the exchange rate were not much in evidence, nevertheless its constant fluctuating conditions must have had serious effects upon the incomes and expenses of different families.

In the accounts of the various families, monies of different denominations were recorded just as they were received or spent; but in the computation of the data they had all to be converted according to their monthly average exchange rate to silver dollars or a fraction thereof. Of the working families, some received their wages in silver yuan, while others, such as rickshamen and most of the handicraft workers, received them in coppers. In their expenditure, they had to pay dollars or their equivalents in coppers for rent and articles, such as imported and manufactured goods whose prices are always fixed on the dollar basis and are generally quoted in dollars and cents (big money), while for purchases of certain commodities such as vegetables

5: Tao E-5 (1926-1927) 1928 AF12 North China AF12

436 458 whose prices are generally quoted in coppers, they pay coppers, because they are the currency most commonly used for small purchases. On the whole, it may be observed that all prices are fixed on the dollar basis, though some respond immediately to the changing rate of the copper exchange, while others lag a little behind. Now under such complicated and perplexing conditions, earners of small incomes easily become poor victims. They are squeezed right and left, whenever there is any fluctuation in the exchange rate between the three kinds of coins. Thus, if the value of the copper falls, the purchaser, if he happens to be a copper-earner, has either to pay more in coppers or to receive less in commodities because of the shortage in weight, a practice which the clever retailer very often resorts to, when he finds his profit is threatened. In both cases, the purchaser has to lose. Nor does he gain anything, if the value of the copper rises. For then the price may not fall simultaneously and he will have to pay the same amount of coppers as before. The dollar-earner seems to be in a better condition, though he, too, has to make small purchases in coppers and consequently is subject to the same disadvantages as the copper-earners, as far as his day-to-day copper spending and exchange is concerned.

Another factor in the monetary system in Peking that sometimes works havoc on the economy of our working families is the copper notes and dollar notes. The latter are seldom possessed by them but the notes in denominations of 10, 20, 50 and 100 coppers have been very widely used, because they are convenient to carry. It occurred in the past that such copper notes at first depreciated and were exchanged at a discount and then finally they became entirely inconvertible and hence valueless. During such a crisis, copper notes passed most rapidly from one hand to another, and as likely as not it was the working class that received the blow heavily unless they refused to take or keep them altogether. And it must be considered fortunate that in the course of our investigation no such paper note crisis has been experienced.

436 It is not our concern here to relate all the details of the

5: Tao E-5 (1926-1927) 1928 AF12 North China AF12

Chinese currency. Still less is it our purpose to bring out the fundamental defects of the Chinese monetary standards of which everybody is aware. Nevertheless, it should be borne in mind that, while, in countries where a sound currency system has been established, the main problem is merely the stability of the standard money or its purchasing power, in China, however, apart from this problem, there remains first of all that of the circulation of big quantities of subsidiary coins and notes, greatly depreciated due either to debasement or to over-supply, which are a constant disturbing factor of far-reaching importance in Chinese social economy. Indeed, the evil effects of the Chinese currency upon the economic life of the people are well worth studying and the chaotic conditions of the coppers, cent-pieces, dollars, and the various kinds of paper notes in Peking during the last two decades alone would furnish a most entertaining subject for research to the Chinese student of economics.

INCOME AND EXPENDITURE

In analysing the income and expenditure of the various families, the following definitions are adopted.

By income is meant that amount of money, or services or things evaluated in terms of money, received during the period of our investigation by the family from such sources, as earnings from labour, interests from investments, rents from land or movable things, presents and gifts from friends or relatives and also relief from public or private agencies. All receipts which do not represent the actual income from the above-mentioned sources during the period of the investigation are thus excluded from this definition. For instance, outstanding debts collected by the family, loans borrowed from friends or relatives, and sums of money derived from pawning articles and from loan societies are not considered as income.

By expenditure is meant that amount of money, or services or things evaluated in terms of money, expended during the period of our investigation by the family for the purchase and use of

7: Gamble S-5 (1926-1927) 1933 AF12 North China AF12

436 The *Currency* in which income, expenditure and prices are given is Chinese silver dollars. Many items were paid for in copper coins and were so entered on the accounts. These have been converted to silver at the average silver-copper exchange rate for the month. Daily quotations secured from the newspapers and from exchange shops were used in figuring the monthly averages. The value of the Chinese dollar in terms of gold fluctuates constantly. The average rate for the year of this study was $1 gold=$2.25 silver.[6] In 1931, the rate was ordinarily more than 4 to 1, and for a short time even 5 to 1.

MONTHLY AVERAGE, SILVER-COPPER EXCHANGE RATE. RATE=COPPERS PER DOLLAR. ONE COPPER=10 CASH

1926, December	369	1927, July	391
1927, January	376	" August	392
" February	377	" September	388
" March	384	" October	376
" April	384	" November	372
" May	384		
" June	391	Average	382

434 511 *Current Expenditure* is the amount spent for food, clothing, rent, heat, light and water, miscellaneous.

Current Income is the amount received from wages, rent, interest, miscellaneous.

Deficit appears on an account when the reported income, both current and capital, was not sufficient to meet the reported current expenditure. Under the heading "Deficit," enough has been added to the income side to balance the account. It has been treated as part of the family's capital income.

592 A *Family* is any two or more persons living together, but only two "families" failed to include two or more people akin to each other. The number in the family includes servants, children away at school, and any members of the immediate family whose work required that they live elsewhere in Peiping, such as boys serving their apprenticeships, men living where they worked. A husband, son, or other relative living in another city was not

[6] No. 9.